

# Division of Mental Health and Addiction Services



## FY2022 APPROPRIATIONS ACT HIGHLIGHTS QUARTERLY PROVIDER MEETING JULY 8, 2021

Division of Mental Health & Addiction Services  
wellnessrecoveryprevention



# Mental Health

2

## Key Growth Items from FY22 Governor's Budget Remain (**State funds**):

Description	Amount	Comment
Increase State Aid to 4 County Psychiatric Hospitals – Increased Billable Rates	\$15.5 million	Increased rates (driven primarily by prior period adjustments) result in increased State Aid costs.
Increase Rental Subsidies to More Current <u>Fair Market Rents</u> Statewide (Community Support Services)	\$5.2 million	Expected to facilitate placements in Supportive Housing.
Restore Enhanced Federal Match Reduction	\$4.8 million	Flip from federal to State resources for transfer to Medicaid (restores FY21 cut for enhanced FMAP). No net impact to gross budget
Psychiatrist Residency Program	\$4.0 million	Full 4 year cost for 10 slots
Justice Involved Pilot – 2 counties	\$2.2 million	Budget language added in Appropriations Act specifies that Morris County will be one of the counties (to leverage current capabilities); includes ≈ \$200K for DMHAS staffing.
Olmstead Placements (Community Support Services)	\$2.2 million	200 placements to be phased in for FY22; will annualize in FY23
Monmouth Mental Health Association	\$.2 million	More information on this will be forthcoming.
<b>Total Growth</b>	<b>\$34.2 million</b>	

# Mental Health, continued

3

## FY22 Appropriation Act Addition:

- \$11 million to expand Early Intervention and Support Services (EISS).
- All counties will then have at least one EISS provider under contract with DMHAS.
- EISS providers expected to bill Medicaid for covered services (as required by DMHAS contract)

# Substance Use Disorder

4

Reduction from Governor's Budget remains:

- Eliminate funding for Morris County Hope One Initiative - \$150K
- Funding was provided for FY20 and FY21 for a new mobile outreach van and to support services and Naloxone distribution
- Had not been intended to be permanent addition to Base appropriations.

# Federal Funding

5

- Federal funding, including enhanced relief for COVID, will be appropriated during SFY22 (in addition to regular grant awards), *including the following:*

Description	Amount	Comment
<b><i>COVID Supplementals to Block Grants:</i></b>		<b><i>Funding must be spent by March 14, 2023</i></b>
MH Block Grant	\$22.6 million	DHS press release: <a href="https://www.nj.gov/humanservices/news/pressreleases/2021/approved/20210512.html">https://www.nj.gov/humanservices/news/pressreleases/2021/approved/20210512.html</a>
Substance Abuse Block Grant	\$45.1 million	
<b>Total Block Grant COVID Supplementals:</b>	<b>\$67.7 million</b>	
<b><i>American Relief Plan (ARP):</i></b>		<b><i>Dollars become available Sept. 1, 2021 and must be expended by Sept. 30, 2025</i></b>
MH Block Grant - ARP	\$39.1 million	Budget/scope proposal has been sent (July 2, 2021) to SAMHSA for review
SABG ARP	\$38.9 million	Budget/scope proposal has been sent (July 2, 2021) to SAMHSA for review
<b>Total ARP</b>	<b>\$78.0 million</b>	
<b>State Opioid Response (SOR)</b>	<b>\$66.0 million</b>	Expected to be awarded as Year 2 of "SOR 2.0" effective 10/1/21

# Summary

6

- FY22 Appropriations Act reflects significant growth for State Aid and community care spending
- Significant federal funding will be available to DMHAS for mental health and substance use disorder programs
- All other funding levels from the FY21 Appropriations Act continue into FY22, including funding from Judiciary for Drug Court and from State Parole Board for the Mutual Agreement Parolee program